

**§ 256.152 Fuel stock expenses undistributed.**

The service company shall utilize this account, where appropriate, to include the cost of service company labor and of office supplies used and operating expenses incurred with respect to the review, analysis and management of fuel supply contracts or agreements, the accumulation of fuel information and its interpretation, the logistics and handling of fuel, and other related support functions, as a service to the associate company engaged in the procurement and transportation of fuel. This account shall be maintained to show the expenses attributable to each associate company through the use of work orders. All expenses of a service company's fuel department or functions shall be cleared through this account.

**§ 256.154 Materials and supplies.**

(a) The service company may utilize this account, where appropriate, to include the costs of materials and supplies held for use by the service company in performing its services. The cost of material and supplies attributable to work orders for service company property in process of construction shall be charged to account 107, Construction work in progress.

(b) Materials and supplies issued shall be credited hereto and charged to the appropriate expense or other accounts on the basis of a unit price determined by the use of cumulative average, first-in-first-out, or such other method of inventory accounting as conforms with generally accepted accounting standards consistently applied.

**§ 256.163 Stores expense undistributed.**

(a) The service company shall utilize this account, where appropriate, to include the service cost of labor and expenses incurred with respect to centralized procurement activities rendered to associate or nonassociate companies.

## ITEMS

(b)(1) Supervision of purchasing and stores department to extent assignable to materials handled through stores.

(2) Purchasing department activities in checking material needs, investigating sources of supply, analyzing prices, preparing and placing orders, and related activities to extent applicable to materials handled through stores.

(3) Unloading from shipping facility and putting in storage.

(4) Inspecting and testing materials and supplies when not assignable to specific items.

(5) Keeping stock records, including recording and posting of material receipts and issues and maintaining inventory record of stock.

(6) Communication service.

(7) Cash and other discounts not practically assignable to specific materials, freight, express, etc., when not assignable to specific items, transportation expense, and excise and other similar taxes not assignable to specific materials.

(c) This account shall be maintained to show the expenses attributable to each associate company through the use of work orders. All expenses of a service company's centralized procurement activities shall be cleared through this account.

(d) Any amounts applicable to fuel costs should be included in account 152, Fuel stock expenses undistributed.

**§ 256.165 Prepayments.**

This account shall include amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items, and appropriate subaccounts shall be maintained in respect of each class of prepayment.

**§ 256.174 Miscellaneous current and accrued assets.**

This account shall include the cost of all other current and accrued assets not provided for elsewhere. The records supporting this account shall be maintained so as to show the nature of each asset included herein.

## 4. DEFERRED DEBITS

**§ 256.181 Unamortized debt expense.**

This account shall include expenses related to the issuance or assumption of debt securities. Amounts recorded in this account shall be amortized over

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the life of each respective issue under a plan which will distribute the amount equitably over the life of the security. The amortization shall be on a monthly basis, and the amounts thereof shall be charged to account 431, Other interest expense.

### § 256.184 Clearing accounts.

This account shall include undistributed balances in clearing accounts at the date of the balance sheet. Balances shall be substantially cleared not later than the end of the calendar year.

### § 256.186 Miscellaneous deferred debits.

This account shall include all debits not provided for elsewhere, such as the costs of service performed which have not been billed to associate or nonassociate companies and unusual or extraordinary expenses, not included in other accounts, and items the proper final disposition of which is uncertain. The records supporting the entries to this account shall be so kept that the service company can furnish full information as to the purpose, monthly balance, status, write-off and duration of each deferred debit.

### § 256.188 Research, development, or demonstration expenditures.

(a) The service company shall utilize this account, where appropriate, for the cost of all expenditures for research, development or demonstration undertaken by or sponsored through the service company. To the extent such costs are incurred for customers, or for construction work in progress, this account will serve as a clearing account to identify the total research and development activity.

(b) All cost shall be transferred from this account by the end of each fiscal year.

(c) This account shall be so maintained as to show separately each project along with complete detail of the nature and purpose of the research, development and demonstration project together with the related costs.

### § 256.190 Accumulated deferred income taxes.

(a) This account shall be debited and account 411, Provision for deferred in-

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come taxes—credit, or account 421, Miscellaneous income or loss, as appropriate, shall be credited with an amount equal to that by which income taxes payable for the year are higher because of the inclusion of certain items in income for tax purposes, which items for general accounting purposes will not be fully reflected in the service company's determination of annual net income until subsequent years.

(b) This account shall be credited and account 410, Provision for deferred income taxes, or account 421, Miscellaneous income or loss, as appropriate, shall be debited with an amount equal to that by which income taxes payable for the year are lower because of prior payment of taxes as provided by paragraph (a) of this section, because of difference in timing for tax purposes of particular items of income or income deductions from that recognized by the service company for general accounting purposes.

(c) Vintage year records with respect to entries to this account, as described above, and the account balance shall be so maintained as to show the factor of calculation with respect to each annual amount of the item or class of items for which deferred tax accounting by the service company is utilized.

## LIABILITIES AND OTHER CREDIT ACCOUNTS

### 5. PROPRIETARY CAPITAL

#### § 256.201 Common stock issued.

This account shall include the par or stated value of all common capital stock issued and outstanding.

#### § 256.211 Miscellaneous paid-in capital.

This account shall include the balance of all other credits for paid-in capital which are not properly includable in the foregoing accounts.

#### § 256.215 Appropriated retained earnings.

This account shall include the amount of retained earnings which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles